



CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

No. 18-139, CD1, FD1

RESOLUTION

EXPRESSING SUPPORT FOR THE HONOLULU AUTHORITY FOR RAPID TRANSPORTATION'S EFFORTS TO PURSUE PUBLIC PRIVATE PARTNERSHIPS FOR HONOLULU'S RAIL PROJECT.

WHEREAS, on October 11, 2017, the City Council ("Council") adopted Resolution 17-263, CD1, which urged the City Administration and the Honolulu Authority for Rapid Transportation ("HART") to utilize Public Private Partnerships ("P-3s") to fund improvements for the minimum operable segment of the Honolulu High-Capacity Transit Corridor Project ("Rail Project"); and

WHEREAS, on May 24, 2018, HART's P-3 consultant, Ernst & Young Infrastructure Advisors ("EYIA"), presented findings from its P-3 Commercial Viability Analysis to the Council's Transportation Committee; and

WHEREAS, the analysis was undertaken to evaluate the potential for a P-3 delivery method for the construction of the Rail Project's remaining 4.1 miles of the City Center Guideway and Stations section, as well as the parking garage and transit center at Pearl Highlands; and

WHEREAS, the goals and objectives of exploring a P-3 delivery method option include: (1) delivering the Rail Project for no more than \$8.165 billion in capital costs using existing funding sources; (2) transferring the risk to the private sector to increase certainty of construction costs and schedule and provide long-term operating cost and performance reliability; (3) opening the Rail Project for full revenue service by 2025; (4) attracting major international firms to promote competition, utilize best practices, and drive innovation; and (5) assessing potential for transit oriented development and ancillary revenues to contribute to a rail infrastructure P-3 project; and

WHEREAS, EYIA evaluated options such as Design-Build-Finance, Design-Build-Finance-Maintain, and Design-Build-Finance-Operate-Maintain ("DBFOM") against the Design-Build approach currently being contemplated by HART, and reported that the DBFOM option offers cost and schedule benefits, incentivizes long-term, high-quality system performance, and enhances opportunities for cost containment and innovation; and

WHEREAS, in order to achieve maximum benefit from its implementation, a P-3 requires effective project management and contract administration; and

WHEREAS, on April 15, 2016, the City Auditor issued an Audit of HART ("HART Audit") that made various findings concerning HART's failure to construct the Rail



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Project economically, effectively, and efficiently, including the specific finding that project management and contract administration controls could be improved; and

WHEREAS, the HART Board of Directors is deliberating over P-3 options and HART is contemplating its next steps to support a P-3 delivery method for the Rail Project; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that it supports the Honolulu Authority for Rapid Transportation's efforts to pursue a Public Private Partnership procurement approach, specifically the Design-Build-Finance-Operate-Maintain option which offers cost and schedule benefits, incentivizes long-term, high-quality system performance, promotes asset management including capital asset replacement, and enhances opportunities for cost containment and innovation; and

BE IT FURTHER RESOLVED that the Council's support of HART's efforts to pursue a P-3 procurement approach is contingent on HART first addressing the concerns raised in the HART Audit and following the recommendations contained therein, particularly those related to project management and contract administration; and



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BE IT FINALLY RESOLVED that a copy of this resolution be transmitted to the Mayor, the Director of Transportation Services, the Chair of the Board of the Honolulu Authority for Rapid Transportation, and the Executive Director and CEO of the Honolulu Authority for Rapid Transportation.

INTRODUCED BY:

Ernest Martin

DATE OF INTRODUCTION:

June 21, 2018
Honolulu, Hawaii

Councilmembers

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII
CERTIFICATE

RESOLUTION 18-139, CD1, FD1

Introduced: 06/21/18 By: ERNEST MARTIN


Committee: BUDGET

Title: RESOLUTION EXPRESSING SUPPORT FOR THE HONOLULU AUTHORITY FOR RAPID TRANSPORTATION'S EFFORTS
TO PURSUE PUBLIC PRIVATE PARTNERSHIPS FOR HONOLULU'S RAIL PROJECT.

Voting Legend: * = Aye w/Reservations

06/27/18	BUDGET	CR-232 – RESOLUTION REPORTED OUT OF COMMITTEE FOR ADOPTION AS AMENDED IN CD1 FORM.
07/11/18	COUNCIL	RESOLUTION AMENDED TO FD1. 8 AYES: ANDERSON, ELEFANTE, FUKUNAGA, MANAHAN, MARTIN, MENOR, OZAWA, PINE. 1 ABSENT: KOBAYASHI. CR-232 AND RESOLUTION 18-139, CD1, FD1 WERE ADOPTED. 8 AYES: ANDERSON, ELEFANTE, FUKUNAGA, MANAHAN, MARTIN, MENOR, OZAWA, PINE. 1 ABSENT: KOBAYASHI.

I hereby certify that the above is a true record of action by the Council of the City and County of Honolulu on this RESOLUTION.



GLEN I. TAKAHASHI, CITY CLERK



ERNEST J. MARTIN, CHAIR AND PRESIDING OFFICER